Registre de Commerce et des Sociétés
B101120 - L160048434
déposé le 21/03/2016

MENTION

Dénomination / Raison sociale de la société : ITUNES S.à r.l.
Siège social : 31-33, Rue Sainte Zithe, L-2763 Luxembourg
N° du Registre de Commerce : **B 101.120**

N° code donneur d'ordre : 1026

Les comptes annuels au 26 septembre 2015 ont été déposés au Registre de Commerce et des Sociétés.

Pour mention aux fins de la publication au Mémorial, Recueil Spécial des Sociétés et Associations.

Registre de Commerce et des Sociétés
B101120 - L160048434
enregistré et déposé le 21/03/2016

RCSL Nr. : B101120	Matricule : 2004 2410 617

BALANCE SHEET

Financial year from 01 28/09/2014 **to** 02 26/09/2015 *(in* 03 EUR *)*

ITUNES S.à r.l.

31-33, Rue Sainte Zithe
L-2763 Luxembourg

ASSETS

		Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101		101		102	
I. Subscribed capital not called	1103		103		104	
II. Subscribed capital called but unpaid	1105		105		106	
B. Formation expenses	1107		107		108	
C. Fixed assets	1109	3	109	568.291,40	110	692.247,98
I. Intangible fixed assets	1111	3	111	210.364,44	112	110.944,59
1. Research and development costs	1113		113		114	
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	3	115	210.364,44	116	110.944,59
a) acquired for valuable consideration and need not be shown under C.I.3	1117	3	117	210.364,44	118	110.944,59
b) created by the undertaking itself	1119		119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		121		122	
4. Payments on account and intangible fixed assets under development	1123		123		124	
II. Tangible fixed assets	1125	3	125	357.926,96	126	581.303,39
1. Land and buildings	1127		127		128	
2. Plant and machinery	1129		129		130	

RCSL Nr. : B101120	Matricule : 2004 2410 617

		Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131	3	131	357.926,96	132	581.303,39
4. Payments on account and tangible fixed assets under development	1133		133		134	
III. Financial fixed assets	1135		135		136	
1. Shares in affiliated undertakings	1137		137		138	
2. Amounts owed by affiliated undertakings	1139		139		140	
3. Shares in undertakings with which the undertaking is linked by virtue of participating interests	1141		141		142	
4. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1143		143		144	
5. Securities and other financial instruments held as fixed assets	1145		145		146	
6. Loans and claims held as fixed assets	1147		147		148	
7. Own shares or own corporate units	1149		149		150	
D. Current assets	1151		151	1.944.698.565,88	152	1.346.258.021,55
I. Inventories	1153		153		154	
1. Raw materials and consumables	1155		155		156	
2. Work and contracts in progress	1157		157		158	
3. Finished goods and merchandise	1159		159		160	
4. Payments on account	1161		161		162	
II. Debtors	1163		163	1.502.677.059,92	164	1.229.930.836,32
1. Trade receivables	1165	14	165	262.932.359,98	166	157.412.096,43
a) becoming due and payable within one year	1167	14	167	262.932.359,98	168	157.412.096,43
b) becoming due and payable after more than one year	1169		169		170	
2. Amounts owed by affiliated undertakings	1171	11	171	1.239.735.171,84	172	1.072.518.739,89
a) becoming due and payable within one year	1173	11	173	1.239.735.171,84	174	1.072.518.739,89
b) becoming due and payable after more than one year	1175		175		176	
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		177		178	
a) becoming due and payable within one year	1179		179		180	
b) becoming due and payable after more than one year	1181		181		182	

RCSL Nr. : B101120	Matricule : 2004 2410 617

		Reference(s)		Current year		Previous year
4. Other receivables	1183		183	9.528,10	184	
a) becoming due and payable within one year	1185		185	9.528,10	186	
b) becoming due and payable after more than one year	1187		187		188	
III. Transferable securities and other financial instruments	1189		189		190	
1. Shares in affiliated undertakings and in undertakings with which the undertaking is linked by of participating interests	1191		191		192	
2. Own shares or own corporate units	1193		193		194	
3. Other transferable securities and other financial instruments	1195		195		196	
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197		197	442.021.505,96	198	116.327.185,23
E. Prepayments	1199		199	1.330.346,47	200	8.573.771,37
TOTAL (ASSETS)			201	1.946.597.203,75	202	1.355.524.040,90

RCSL Nr. : B101120	Matricule : 2004 2410 617

LIABILITIES

	Code	Reference(s)	Code	Current year	Code	Previous year
A. Capital and reserves	1301		301	273.772.785,92	302	161.829.009,07
I. Subscribed capital	1303	4	303	12.500,00	304	12.500,00
II. Share premium and similar premiums	1305		305		306	
III. Revaluation reserves	1307		307		308	
IV. Reserves	1309	5	309	25.383.800,00	310	20.332.000,00
1. Legal reserve	1311	5	311	1.250,00	312	1.250,00
2. Reserve for own shares or own corporate units	1313		313		314	
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves	1317	5	317	25.382.550,00	318	20.330.750,00
V. Profit or loss brought forward	1319		319	136.432.709,07	320	220.975.682,57
VI. Profit or loss for the financial year	1321		321	111.943.776,85	322	100.508.826,50
VII. Interim dividends	1323		323		324	-180.000.000,00
VIII. Capital investment subsidies	1325		325		326	
IX. Temporarily not taxable capital gains	1327		327		328	
B. Subordinated debts	1329		329		330	
1. Convertible loans	1413		413		414	
a) becoming due and payable within one year	1415		415		416	
b) becoming due and payable after more than one year	1417		417		418	
2. Non convertible loans	1419		419		420	
a) becoming due and payable within one year	1421		421		422	
b) becoming due and payable after more than one year	1423		423		424	
C. Provisions	1331		331		332	
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337		338	
D. Non subordinated debts	1339		339	1.245.301.645,17	340	804.556.273,64
1. Debenture loans	1341		341		342	
a) Convertible loans	1343		343		344	
i) becoming due and payable within one year	1345		345		346	
ii) becoming due and payable after more than one year	1347		347		348	

RCSL Nr. : B101120	Matricule : 2004 2410 617

		Reference(s)		Current year		Previous year
b) Non convertible loans	1349		349		350	
i) becoming due and payable within one year	1351		351		352	
ii) becoming due and payable after more than one year	1353		353		354	
2. Amounts owed to credit institutions	1355		355		356	
a) becoming due and payable within one year	1357		357		358	
b) becoming due and payable after more than one year	1359		359		360	
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361		361		362	
a) becoming due and payable within one year	1363		363		364	
b) becoming due and payable after more than one year	1365		365		366	
4. Trade creditors	1367	6	367	856.768.080,92	368	554.510.507,30
a) becoming due and payable within one year	1369	6	369	856.768.080,92	370	554.510.507,30
b) becoming due and payable after more than one year	1371		371		372	
5. Bills of exchange payable	1373		373		374	
a) becoming due and payable within one year	1375		375		376	
b) becoming due and payable after more than one year	1377		377		378	
6. Amounts owed to affiliated undertakings	1379	10	379	46.959.390,39	380	53.986.592,84
a) becoming due and payable within one year	1381	10	381	46.959.390,39	382	53.986.592,84
b) becoming due and payable after more than one year	1383		383		384	
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		385		386	
a) becoming due and payable within one year	1387		387		388	
b) becoming due and payable after more than one year	1389		389		390	
8. Tax and social security debts	1391		391	185.102.318,85	392	67.989.230,67
a) Tax debts	1393		393	184.979.460,14	394	67.960.728,08
b) Social security debts	1395		395	122.858,71	396	28.502,59

RCSL Nr. : B101120	Matricule : 2004 2410 617

		Reference(s)		Current year		Previous year
9. Other creditors	1397	15	397	156.471.855,01	398	128.069.942,83
a) becoming due and payable within one year	1399	15	399	156.471.855,01	400	128.069.942,83
b) becoming due and payable after more than one year	1401		401		402	
E. Deferred income	1403	16	403	427.522.772,66	404	389.138.758,19
TOTAL (LIABILITIES)			405	1.946.597.203,75	406	1.355.524.040,90

Registre de Commerce et des Sociétés
B101120 - L160048434
déposé le 21/03/2016

RCSL Nr. : B101120	Matricule : 2004 2410 617

PROFIT AND LOSS ACCOUNT

Financial year from 01 28/09/2014 **to** 02 26/09/2015 *(in* 03 EUR *)*

ITUNES S.à r.l.

31-33, Rue Sainte Zithe
L-2763 Luxembourg

A. CHARGES

		Reference(s)		Current year		Previous year
1. Use of merchandise, raw materials and consumable materials	1601	12	601	2.454.155.907,86	602	1.936.611.836,73
2. Other external charges	1603	13	603	397.871.887,34	604	273.896.674,49
3. Staff costs	1605		605	2.699.536,15	606	2.400.398,19
a) Salaries and wages	1607		607	2.595.476,84	608	1.995.099,72
b) Social security on salaries and wages	1609		609	-115.463,58	610	194.580,99
c) Supplementary pension costs	1611		611	219.522,89	612	210.717,48
d) Other social costs	1613		613		614	
4. Value adjustments	1615		615	21.772.075,30	616	18.499.015,95
a) on formation expenses and on tangible and intangible fixed assets	1617		617	278.816,84	618	229.696,06
b) on current assets	1619		619	21.493.258,46	620	18.269.319,89
5. Other operating charges	1621		621		622	
6. Value adjustments and fair value adjustments on financial fixed assets	1623		623		624	
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	1625		625		626	
8. Interest and other financial charges	1627		627	33.240.058,41	628	9.903.912,94
a) concerning affiliated undertakings	1629		629		630	
b) other interest and similar financial charges	1631		631	33.240.058,41	632	9.903.912,94

RCSL Nr. : B101120	Matricule : 2004 2410 617

	Reference(s)		Current year		Previous year
9. Share of losses of undertakings accounted for under the equity method	1649	649		650	
10. Extraordinary charges	1633	633		634	
11. Income tax	1635	635	46.185.987,64	636	41.489.966,23
12. Other taxes not included in the previous caption	1637	637		638	
13. Profit for the financial year	1639	639	111.943.776,85	640	100.508.826,50
TOTAL CHARGES		641	3.067.869.229,55	642	2.383.310.631,03

RCSL Nr. : B101120	Matricule : 2004 2410 617

B. INCOME

		Reference(s)		Current year		Previous year
1. Net turnover	1701	9	701	3.060.104.347,51	702	2.373.838.218,71
2. Change in inventories of finished goods and of work and contracts in progress	1703		703		704	
3. Fixed assets under development	1705		705		706	
4. Reversal of value adjustments	1707		707		708	
a) on formation expenses and on tangible and intangible fixed assets	1709		709		710	
b) on current assets	1711		711		712	
5. Other operating income	1713		713	1.320,00	714	
6. Income from financial fixed assets	1715		715		716	
a) derived from affiliated undertakings	1717		717		718	
b) other income from participating interests	1719		719		720	
7. Income from financial current assets	1721		721		722	
a) derived from affiliated undertakings	1723		723		724	
b) other income from financial current assets	1725		725		726	
8. Other interest and other financial income	1727		727	7.763.562,04	728	9.472.412,32
a) derived from affiliated undertakings	1729		729	7.245.769,59	730	5.341.478,79
b) other interest and similar financial income	1731		731	517.792,45	732	4.130.933,53
9. Share of profits of undertakings accounted for under the equity method	1745		745		746	
10. Extraordinary income	1733		733		734	
13. Loss for the financial year	1735		735	0,00	736	0,00
TOTAL INCOME			737	3.067.869.229,55	738	2.383.310.631,03

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B101120 - L160048434
déposé le 21/03/2016

iTunes S.à r.l.
31-33, rue Sainte Zithe
L-2763 Luxembourg

R.C.S. Luxembourg B 101.120

Annual accounts as at 26 September 2015, and
Management report and
Independent auditor's report

iTunes S.à r.l.
Société à Responsabilité Limitée
Notes to the annual accounts
as at September 26,2015

1 General

iTunes S.à r.l. (the "Company") was incorporated under the laws of Luxembourg on June 4, 2004 under the legal form of a Société à Responsabilité Limitée (S.à r.l.). The Company is established for an unlimited period and is a wholly-owned subsidiary of Apple Distribution International.

These audited accounts cover the financial period from 28 September 2014 to 26 September 2015 as compared to the previous financial period from 29 September 2013 to 27 September 2014.

The registered office of the Company is at 31-33, Rue Sainte Zithe, L-2763 Luxembourg and the Company is registered with the Register of Commerce of Luxembourg under Section B 101.120.

The Company is included in the consolidated accounts of Apple Inc., California / USA. Copies of the consolidated accounts may be obtained from www.sec.gov.

The main purpose of the Company is the sale and distribution of digital content and applications via the internet and other electronic and communication networks.

2 Significant accounting policies

2.1 Basis of presentation

General principles

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory provisions and with generally accepted accounting principles. The annual accounts comply with the Law of 19 December 2002 as amended, regarding the corporate trade register as well as the corporate bookkeeping and annual accounts.

2.2 Basis of conversion for items originally expressed in foreign currency

The Company maintains its accounting records in euro ("EUR") and the balance sheet and profit and loss account are expressed in this currency.

Income and charges are translated at the exchange rates ruling at the end of the previous financial month.

Fixed assets are valued using historical exchange rates.

Monetary assets and liabilities expressed in foreign currencies are translated into euro at the rates of exchange in effect at the balance sheet date.

Realized gains and losses are recognized in the profit and loss account.

Unrealized exchange gains and losses are not recognized unless they relate to cash and highly liquid assets and liabilities that are subject to an insignificant risk of change in value.

2 Significant accounting policies (continued)

2.3 Debtors

Debtors are stated at their nominal value. Value adjustments are recorded if the net realizable value is lower than the book value and are based on management's assessment of the collectability of customer accounts. The Company records a bad debt allowance for trade receivables based on multiple factors including historical experience with bad debt.

2.4 Creditors

Creditors are stated at their nominal value.

2.5 Revenue recognition

Net turnover consists primarily of revenue from the sale of digital content. The Company recognizes revenue when persuasive evidence of an arrangement exists, the sales price is fixed or determinable, and collection is probable. In the case of prepaid products, revenue is deferred and recognized as electronic files are requested for download by the end user. The Company recognises revenue of unused gift card balances using rates based on historical usage patterns. Unused balances are amortised over 6 months when the likelihood of further redemptions by holders is deemed remote.

The Company records reductions to revenue for estimated commitments related to customer incentive programs, including sales programs and volume-based incentives arranged by retailers selling prepaid products on the Company's behalf. For customer incentive programs, the estimated cost of these programs is recognized during the period in which the program is offered.

Net turnover also consists of revenue from the sale of third party applications and eBooks. In such transactions, the Company acts as a commissionaire and not as the primary obligor. Accordingly, the recognised revenue for turnover made as commissionaire is the commission retained.

2.6 Intangible assets

Intangible assets are valued at acquisition cost including the expenses incidental thereto or at production cost, less accumulated amortisation charge and value adjustments for permanent impairment in value. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

The amortisation rates and methods applied are as follows:

	Rate of Amortisation	Amortisation Method
Licenses & Similar Rights	20%	Straight line basis

2 Significant accounting policies (continued)

2.7 Tangible assets

Tangible assets are valued at acquisition cost including the expenses incidental thereto or at production cost. Tangible assets are depreciated over their estimated useful economic lives.

The depreciation rates and methods applied are as follows:

	Rate of Depreciation	Depreciation Method
Fixtures and fittings, tools and equipment	20%	Straight line basis

Additional value adjustments are recorded for any permanent impairment in value. These value adjustments are not continued if the reasons for which they were made ceased to apply.

2.8 Prepayments

This asset item includes a payment made during the financial year relating to the subsequent financial year.

3 Fixed assets

Property, plant, and equipment are stated at cost. Depreciation is computed by use of the straight-line method over the estimated useful lives of the assets, which is up to 5 years for equipment, and the shorter of lease terms or 10 years for leasehold improvements.

	Licences & Similar Rights EUR	Furniture & Fittings, Tools & Equipment EUR	**Total EUR**
Cost			
At beginning of year	143,234	1,314,008	1,457,242
Additions/Disposals	154,860	-	154,860
At end of year	**298,094**	**1,314,008**	**1,612,102**
Accumulated depreciation			
At beginning of year	32,289	732,706	764,995
Charge for year	55,440	223,376	278,816
At end of year	87,729	**956,082**	**1,043,811**
Net book value			
At 26 September 2015	210,365	357,926	568,291
At 27 September 2014	110,945	581,302	692,247

4 Subscribed capital

As of September 26, 2015 and September 27, 2014, the subscribed capital amounts to EUR 12,500 divided into 500 shares with a par value of EUR 25 each.

5 Reserves

Legal reserve

Under Luxembourg law, the Company must appropriate annually at least 5% of its statutory net profit to a legal reserve until the aggregate reserve equals 10% of the subscribed share capital. Such reserve is not available for distribution.

Other reserves

In accordance with Luxembourg company law, the Company elected to reduce its net wealth tax liability by maintaining a special reserve equal to five times the estimated net wealth tax liability. This reserve must be maintained for a period of at least five years following the year during which the net wealth tax liability was reduced. Such reserve is not available for distribution. As of September 26, 2015, the reserve was EUR 25,382,550 (2014: EUR 20,330,750).

6 Trade creditors

As at September 26, 2015, trade creditors consist of the following:

	September 26, 2015 EUR	September 27, 2014 EUR
Amounts due and payable after less than one year	856,768,081	554,510,507
	856,768,081	**554,510,507**

Trade creditors consist primarily of amounts due to third party app developers and royalty vendors.

7 Taxation

The Company is subject to all taxes applicable to a commercial company under Luxembourg law. As of 26 September 2015, the tax charge recorded in the books of the Company is EUR 46,185,988.

The provision for taxation consists of corporate tax estimates for the financial period ended September 26, 2015. The estimates are calculated by the Company.

The Company has been fully assessed up to 27 September 2014 by the Luxembourg Tax Authorities.

8 Number of employees

The Company employed an average of 24.5 staff (2014: 21.5), during the financial period.

9 Net turnover

Net turnover consists primarily of the sale of digital content via the Internet from Luxembourg. The Company does not disclose net turnover by categories of activity and geographical markets as prescribed in Article 65 (1) 8° in the law of 19 December 2002. Management notes that the provisions under Article 65 (1) 8° are only required to the extent where, from the point of organization of the sale of the products and the provision of the services corresponding to the ordinary activities of the Company, the categories and markets significantly differ between themselves. The categories and markets, in relation to the net turnover of the Company, do not significantly differ and as such, no disclosure is considered necessary.

10 Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings represent amounts due for support services provided by affiliated companies as well as amounts due for the sale of Apple-branded content on the iTunes Store. The amounts payable to these affiliates were EUR 46,959,390 as at September 26, 2015 (2014: EUR 53,986,593).

11 Amounts owed by affiliated undertakings

The amounts owed by affiliated undertakings consist mainly of transactions related to cash pooling arrangements and are due and payable on demand. During 2015, the Company holds its deposit with another Apple Inc. affiliate, who has a treasury function within the Group of EUR 1,237,444,350 (2014: EUR 1,024,285,573).

12 Raw materials & consumables

Raw Materials & Consumables as of September 26, 2015 were EUR 2,454,155,908 (2014: EUR 1,936,611,837). These consist of royalties and fees paid to content providers and other rightsholders, including group companies, for the use of video and sound recordings and musical compositions, in order to provide digital content to consumers.

13 Other external charges

Other external charges as of September 26, 2015 were EUR 397,871,887 (2014: EUR 273,896,674). These primarily consist of credit card fees and internet/bandwidth costs. Additional costs include those support services provided by other group companies.

14 Trade debtors

As at September 26, 2015 trade debtors consist of the following:

	September 26, 2015 EUR	**September 27, 2014 EUR**
Outstanding billed revenues	266,209,036	160,269,696
Provision for doubtful accounts	(3,276,676)	(2,857,600)
	262,932,360	**157,412,096**

Trade receivables consist primarily of amounts owed by credit card acquirers and gift-card integrators.

15 Other creditors

As at September 26, 2015 other creditors are summarized as follows:

	September 26, 2015 EUR	September 27, 2014 EUR
Royalties for use of sound recordings and musical compositions	101,179,216	99,169,269
Other	55,292,639	28,900,673
	156,471,855	128,069,942

Other creditors consist primarily of rightsholders who are entitled to claim royalties for use of rights in sound recordings and musical compositions, incurred in order to obtain the right to distribute digital content. The rates at which royalties for use of musical compositions are paid can be disputed in certain territories. In some instances in the past, the Company had established escrow accounts jointly in its name and the name(s) of the other parties subject to the dispute. At the end of September 26, 2015, there were no escrow accounts held off Balance Sheet.

16 Deferred income

As at September 26, 2015 the Deferred Income liability is EUR 427,522,773 (2014: EUR 389,138,758). This consists primarily of deferred revenue arising from the sale of iTunes gift-cards. Included in deferred income are amounts of EUR 18,492,018 (2014: EUR 25,160,379) that will be earned over a period greater than 1 year.

17 Litigation; Investigatory Matters

The Company is subject to various lawsuits and litigations that arise in the ordinary course of business. Management is of the opinion that the ultimate outcome of such matters is not anticipated to have a material adverse effect on the Company's financial position.

From time to time the Company is the subject of certain governmental inquiries into certain aspects of its business. Management is of the opinion that the outcome of any such inquiries is not anticipated to have a material adverse affect on the Company's financial condition.

18 Audit fees

For the year ended 26 September 2015, the Company has incurred charges - both billed and accrued from its independent auditor of EUR 77,420 (2014: EUR 56,735).

19 Subsequent events

No significant events have arisen since the year-end.

iTunes S.à r.l.
société à responsabilité limitée
Share capital : 12,500 euro

Registered office: 31-33, Rue Sainte Zithe
L-2763 Luxembourg
R.C.S. Luxembourg: B 101.120

Fiscal 2015 Management Report

In accordance with our duties as managers of iTunes S.à r.l. (the "Company"), we herewith submit to the sole shareholder of the Company the annual accounts for the financial year ended 26 September 2015 (hereinafter, "2015").

1. Executive overview

The Company operates the iTunes Store (which is comprised of the iTunes Store, App Store and iBookstore, but in some countries only the App Store and iBookstore are available), an online service that allows customers to find, purchase, rent (in some instances), and download digital music, audio books, music videos, short films, television shows, movies, eBooks, games, and other applications, as well as Apple Music (an on-demand streaming service) and Beats 1 (a linear, online radio station). The iTunes Store, Apple Music and Beats 1 are accessed via iTunes software that is available free of charge for both Mac and Windows-based computers. The iTunes Store, Apple Music and Beats 1 can also be accessed on iOS devices, and Apple Music and Beats are also accessible via devices with the Android operating system installed, via an app that can be downloaded via select third party app distribution platforms. The Company continues to build and host a robust platform for the discovery and delivery of digital content and applications through the iTunes Store and Apple Music. In 2015, the iTunes Store served customers in 113 countries, and from mid-2015, Apple Music served customers in 79 countries.

2. Financial review

Net turnover consists primarily of revenue from the sale of digital audio and video content as well as eBooks and software applications in Europe. The Company also generates revenue from sales to the Middle East, parts of Asia and Africa, and from sales of subscriptions to the Apple Music service.

Net sales during 2015 increased 28.9% or EUR 686.3 million to EUR 3,060.1 million compared to the financial year ended 27 September 2014 (hereinafter "2014"). The increase was due predominantly to increased net sales of third-party digital content and applications from the iTunes Store. The Company believes this continued growth is the result of heightened consumer interest in downloading third-party digital content and applications, continued growth in the iPad, iPod and iPhone customer base, the expansion of third-party audio and video content available for sale and rent via the iTunes Store, and the continued interest in and growth of the App Store. The Company continues to expand its iTunes content and applications offerings in the aforementioned areas.

Raw materials & consumables grew by 26.7% or EUR 517.5 million to EUR 2,454.2 million in 2015 compared to 2014 primarily as a result of higher fees payable to third-party content providers for the rights to sell digital content on the Company's iTunes Store. These higher fees were mainly the result of the increase in total net sales in 2015 relative to 2014. Other External Charges grew by 45.3%, or EUR 124 million from 2014 to EUR 397.9 million, largely due to increases in credit card fees that in turn are driven by the increase in sales.

Other interest and other financial charges increased 235.6% or EUR 23.3 million to EUR 33.2 million in 2015. The overall increase is due to weakening of the EUR in the foreign exchange markets worldwide.

During 2015 the Company has made a profit of one hundred and eleven million, nine hundred and forty three thousand, seven hundred and seventy seven euro (EUR 111,943,777). The

iTunes S.à r.l.
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Fiscal 2015 Management Report

Company's underlying profitability has increased by 11.4% or EUR 11.4 million driven primarily by higher sales in 2015.

As the legal reserve of an amount of ten percent (10%) of the share capital is already established, we propose that the profit of one hundred and eleven million, nine hundred and forty three thousand, seven hundred and seventy seven euro (EUR 111,943,777) be carried forward to the next financial year.

3. Future development

The Company is committed to bringing the best digital content acquisition experience to consumers through its innovative online offerings. The Company's business strategy therefore includes expanding its digital content portfolio and distribution network to effectively reach more of its targeted customers and provide them with a high-quality sales experience.

The Company's services have faced significant competition from other companies promoting their own digital music and content products and services, including those free services offering unlicensed music and video content that infringes copyright. The Company believes it offers superior innovation and integration of the entire solution including the hardware (iPhone, iPad, Mac, and iPod), software (iTunes), online services (iCloud), and distribution of digital content and applications (iTunes Store, App Store, iBookstore and Mac App Store).

4. Subsequent events

There are no subsequent events for the Company in 2015.

5. Research & Development

The Company does not currently invest in research and development.

6. Acquisition of own shares

There were no acquisitions of own shares in the financial year.

7. Existence of branches of the company

The Company currently does not have a branch and there are no expectations to establish a branch at present.

8. Risk Factors

a) The Company relies on access to third-party digital content, which may not be available to the Company on commercially reasonable terms or at all.

The Company contracts with numerous third parties to offer their digital content through the iTunes Store, Apple Music and Beats 1. This includes the right to make available music, movies, TV shows and books currently available through the iTunes Store and music available through

Apple Music and Beats 1. The licensing or other distribution arrangements with these third parties are for relatively short terms and do not guarantee the continuation or renewal of these arrangements on reasonable terms, if at all. Some third-party content providers and distributors currently or in the future may offer competing products and services, and could take action to make it more difficult or impossible for the Company to license or otherwise distribute their content in the future. Other content owners, providers or distributors may seek to limit the Company's access to, or increase the cost of, such content. The Company may be unable to continue to offer a wide variety of content at reasonable prices with acceptable usage rules, or continue to expand its geographic reach. Failure to obtain the right to make available third-party digital content, or to make available such content on commercially reasonable terms, could have a material adverse impact on the Company's financial condition and operating results.

Some third-party digital content providers require the Company to provide digital rights management and other security solutions. If requirements change, the Company may have to develop or license new technology to provide these solutions. There is no assurance the Company will be able to develop or license such solutions at a reasonable cost and in a timely manner. In addition, certain countries have passed or may propose and adopt legislation that would force the Company to license its digital rights management, which could lessen the protection of content and subject it to piracy and also could negatively affect arrangements with the Company's content providers.

b) The Company's business and reputation may be impacted by information technology system failures or network disruptions.

The Company may be subject to information technology system failures and network disruptions. These may be caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic break-ins, or other events or disruptions. System redundancy may be ineffective or inadequate, and the Company's disaster recovery planning may not be sufficient for all eventualities. Such failures or disruptions could prevent access to the Company's online stores and services, preclude retail store transactions, compromise Company or customer data, and result in delayed or cancelled orders. System failures and disruptions could also impede the delivery of online services, transactions processing and financial reporting.

c) There may be breaches of the Company's information technology systems that materially damage business partner and customer relationships, curtail or otherwise adversely impact access to online stores and services, or subject the Company to significant reputational, financial, legal and operational consequences.

The Company's business requires it to use and store customer, employee and business partner personally identifiable information ("PII"). This may include, among other information, names, addresses, phone numbers, email addresses, contact preferences, tax identification numbers and payment account information. Although malicious attacks to gain access to PII affect many companies across various industries, the Company is at a relatively greater risk of being targeted because of its high profile and the amount of PII it manages.

The Company requires user names and passwords in order to access its information technology systems. The Company also uses encryption and authentication technologies designed to secure the transmission and storage of data and prevent access to Company data or accounts. As with all companies, these security measures are subject to third-party security breaches, employee error, malfeasance, faulty password management, or other irregularities. For example, third parties may attempt to fraudulently induce employees or customers into disclosing user names, passwords or other sensitive information, which may in turn be used to access the Company's information technology systems. To help protect customers and the Company, the Company monitors accounts and systems for unusual activity and may freeze accounts under suspicious circumstances, which may result in the delay or loss of customer orders.

The Company devotes significant resources to network security, data encryption, and other security measures to protect its systems and data, but these security measures cannot provide absolute security. To the extent the Company was to experience a breach of its systems and was unable to protect sensitive data, such a breach could materially damage business partner and customer relationships, and curtail or otherwise adversely impact access to online stores and services. Moreover, if a computer security breach affects the Company's systems or results in the unauthorized release of PII, the Company's reputation and brand could be materially damaged, use of the Company's products and services could decrease, and the Company could be exposed to a risk of loss or litigation and possible liability.

d) The Company's business is subject to a variety of Luxembourg and international laws, rules, policies and other obligations regarding data protection.

The Company is subject to Luxembourg and international laws relating to the collection, use, retention, security and transfer of PII. In many cases, these laws apply not only to third-party transactions, but also to transfers of information between the Company and its affiliates, and among the Company, its affiliates and other parties with which the Company has commercial relations. Several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing international requirements may cause the Company to incur substantial costs or require the Company to change its business practices. Noncompliance could result in penalties or significant legal liability.

The Company's privacy policy, which includes related practices concerning the use and disclosure of data, is posted on its website. Any failure by the Company, its suppliers or other parties with whom the Company does business to comply with its posted privacy policy, or with Luxembourg or international privacy-related or data protection laws and regulations could result in proceedings against the Company by governmental entities or others.

The Company is also subject to payment card association rules and obligations under its contracts with payment card processors. Under these rules and obligations, if information is compromised, the Company could be liable to payment card issuers for associated expenses and penalties. In addition, if the Company fails to follow payment card industry security standards, even if no customer information is compromised, the Company could incur significant fines or experience a significant increase in payment card transaction costs.

e) The Company's business is subject to the risks of international operations.

The Company derives a significant portion of its revenue and earnings internationally. Compliance with applicable Luxembourg and foreign laws and regulations, tax laws, foreign exchange controls and cash repatriation restrictions, data privacy requirements, and anti-competition regulations, increases the costs of doing business in foreign jurisdictions. Although the Company has implemented policies and procedures to comply with these laws and regulations, a violation by the Company's employees, contractors or agents could nevertheless occur.

f) The Company could be impacted by unfavorable results of legal proceedings, such as being found to have infringed on intellectual property rights.

The Company is subject to various legal proceedings and claims that have not yet been fully resolved and that have arisen in the ordinary course of business, and additional claims may arise in the future. Regardless of the merit of particular claims, litigation may be expensive, time-consuming, disruptive to the Company's operations and distracting to management. In recognition of these considerations, the Company may enter into arrangements to settle litigation.

In management's opinion, there is not at least a reasonable possibility the Company may have incurred a material loss, or a material loss in excess of a recorded accrual, with respect to loss contingencies, including matters related to infringement of intellectual property rights. However, the outcome of litigation is inherently uncertain.

Although management considers the likelihood of such an outcome to be remote, if one or more legal matters were resolved against the Company in a reporting period for amounts in excess of management's expectations, the Company's financial statements for that reporting period could be materially adversely affected. Further, such an outcome could result in significant compensatory, punitive or trebled monetary damages, disgorgement of revenue or profits, remedial corporate measures or injunctive relief against the Company that could materially adversely affect its financial condition and operating results.

g) The Company's financial performance is subject to risks associated with changes in the value of the Euro versus foreign currencies.

The Company's primary exposure to movements in foreign currency exchange rates relates to non-Euro denominated sales and operating expenses worldwide. Weakening of foreign currencies relative to the Euro adversely affects the Euro value of the Company's foreign currency-denominated sales and earnings.

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Fiscal 2015 Management Report

We recommend that the sole shareholder of the Company approve the annual accounts as presented to it and we kindly ask the sole shareholder to grant discharge to the managers of the Company for the exercise of their mandate during the financial year ended 26 September 2015.

Gary Wipfler

Eduardo Cue

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Fiscal 2015 Management Report

Gene Levoff

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Ernst & Young
Société anonyme
35E, Avenue John F. Kennedy
L-1855 Luxembourg
Tel: +352 42 124 1
www.ey.com/luxembourg

B.P. 780
L-2017 Luxembourg
R.C.S. Luxembourg B 47 771
TVA LU 16063074

Independent auditor's report

To the Board of Managers
iTunes S.à r.l.
31-33, rue Sainte Zithe
L-2763 Luxembourg

Report on the annual accounts

Following our appointment, we have audited the accompanying annual accounts of iTunes S.à r.l., which comprise the balance sheet as at 26 September 2015 and the profit and loss account for the period from 28 September 2014 to 26 September 2015, and a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the Board of Managers determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the annual accounts.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of iTunes S.à r.l, as of 26 September 2015, and of the results of its operations for the period from 28 September 2014 to 26 September 2015 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Managers, and which is available at the registered address of the Company, is consistent with the annual accounts.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Gaël Denis

Luxembourg, 15 March 2016

ITUNES S.à r.l.
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Subscribed capital: 12,500EUR

Allocation of the result of the year

The sole shareholder of the company ITUNES S.à r.l. decided on 15 March 2016 to allocate the result for the financial year 2015 being a gain amounting to 111,943,776.85.EUR to the results brought forward.